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Greece: **7** Neocolonialism And Revolution

ANDREAS PAPANDREOU
AN ECONOMIC OBSERVER
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Balance of Payments and Empire

THE EDITORS

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REVIEW OF THE MONTH: Balance of Payments and Empire by the Editors	1
GREECE: NEOCOLONIALISM AND REVOLUTION	
The Takeover of Greece by Andreas Papandreu	13
Greece: A Case of Neocolonialism by an Economic Observer	23
Democratic or Socialist Revolution in Greece? by Fondas Ladis	38
CORRESPONDENCE:	
A Response from Prison to "Black Women in Revolt"	60
A Communication from Gunder Frank	61

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NOTES FROM THE EDITORS

We do not have to tell MR readers who write to us that we are often late in answering (and sometimes even worse), or that the answers when they do arrive may fall far short of what had been wanted or expected. But we would like to offer at least a partial explanation for these derelictions, which may perhaps also serve as an apology and excuse. Our mail has been growing over the years, and it contains not only submissions to MR and MR Press but also requests for criticism of manuscripts or published material not submitted, for bibliographical material, for answers to specific questions related to research projects, suggestions for future articles or books, invitations to lecture in various parts of the country (and abroad), and so on. We would like in all cases to be able to respond to the best of our ability, but it just isn't possible. We have no secretarial or research help, we are not fast readers, and there are many areas of the social sciences and history where our knowledge is woefully inadequate. It all adds up to the necessity to limit the amount of time devoted to correspondence and to the inevitability of unevenness in the quality of such responses as may be produced. For example, if someone asks for bibliographical help on a subject we happen to be up on, the

(Continued on inside back cover)

BALANCE OF PAYMENTS AND EMPIRE

In his Foreign Affairs column in the *New York Times* the day after election day, Cyrus Sulzberger wrote: "With respect to all these matters—military, commercial, diplomatic, and monetary—the position of the dollar is crucial."

True, and yet how many people understand what is meant by the position of the dollar, let alone what determines it? Probably not many. Part of the reason is that the subject is inherently difficult, but perhaps even more important is the fact that orthodox economics has surrounded it with an aura of expertise so thick that it actually bemuses many of the experts themselves. Money, particularly in its international aspects, is privileged territory open only to initiates who speak to each other in their own rarefied and fetishistic jargon.

Under the circumstances, and given the importance of the subject, it is both a surprise and a relief to encounter a new study of international monetary problems which promises from the very outset to bring the discussion down from the clouds and root it firmly in the real world.* The following quotation from the Preface sets the tone :

* International Economic Policy Association, *The United States Balance of Payments: From Crisis to Controversy* (distributed by Walker Publishing Company, 720 Fifth Avenue, New York, N.Y. 10019, \$6.00).

After twenty years of deficits in the balance of payments, and innumerable publications on the problem, why is there a need for another study? It is the hope of every author to shed some new light on an old subject. This book, the third in a series by the International Economic Policy Association, hopefully will accomplish that objective. . . .

The present study, which updates and expands the 1968 analysis, hopefully will make its own contribution to understanding the fundamental issues that are involved in the current international economic controversies. Stripped of the technicalities of the price of gold, exchange rates, convertibility, and a myriad of other pet projects of the experts, the main point is this: *the international economic struggle concerns control and transfer of resources*. The underlying questions are: What does the United States get for the dollar liabilities it is creating abroad in huge amounts? What will the holders of surplus (paper) dollars get in return? And, politically the most troublesome issue is: Who is going to bear the burden of these transfers of real goods and financial assets? The owners of the dollars? The taxpayers? The workers? The investors? (emphasis added)

One may at first be inclined to assume that the authors of such a frank and "materialistic" statement must be left-wingers. One wonders if this International Economic Policy Association which sponsored the study is perhaps a Movement outfit which has previously escaped one's attention? If we turn to the back of the book where the Directors of the IEPA are listed, however, we are quickly disillusioned. One look and we see that we have to do with an organization which enjoys the support, and we must assume expresses the views, of a fair sample of the country's biggest multinational corporations—ITT, Goodyear, Proctor & Gamble, Minnesota Mining & Manufacturing, Owens-Illinois, Alcoa, American Cyanamid, Eaton (formerly Eaton Yale & Towne), Owens-Corning Fiberglas, and Hanna Mining, to name them in the order in which they appear in *Fortune's* latest listing of the 500 largest. The combined assets of these ten corporations come to over \$21.8 billion, giving an average (\$2.2 billion) approximately equal to the 37th largest corporation ranked by assets. Of the other five Directors, one represents a bank (the 38th largest in the country), one comes from one of the biggest privately owned corporations (Cargill, grain dealers recently in the news in connection with the Soviet wheat sale), one from one of the big-

gest accounting firms (Arthur Andersen), and one from a major corporate law firm. The fifteenth Director is N. R. Danielian, President of IEPA, a former Harvard economist who went to Washington during the New Deal and has served in a number of government agencies over the years.*

If we look a little closer at the list of IEPA's Directors, we find that in addition to the identity of the corporations they represent, there is another aspect which is very striking. (What is said here about the Board of Directors could also be said, with but few amendments, of the 12-member "Committee on Balance of Payments," which was presumably more intimately involved than the Directors themselves in preparing the latest balance-of-payments report.) With two exceptions, the corporate Directors are not board chairman or president of their respective corporations but rather vice chairman (one case), vice president (eight cases), or managing director of the corporation's international division (one case). Further, a number of the vice presidential titles include identification with international operations, and the Arthur Andersen man is described as "Partner and Director of International Business Practice." The Preface to the report tells us, additionally, that the Balance of Payments Committee is "composed of some of the most knowledgeable financial officers of member companies." All in all, the evidence seems clear that the IEPA is not a big-name operation with propaganda and political objectives (comparable, for example, to the Committee for Economic Development) but rather a meeting ground for top experts of giant multinational corporations in the area of international finance, trade, and investment. What they produce and

* Among other jobs, Danielian held that of director of what is undoubtedly the most elaborate study of a corporation ever undertaken, the Federal Communications Commission's investigation of the American Telephone & Telegraph Company (FCC, Special Investigation Docket No. 1) which resulted in literally dozens of volumes of reports on the world's largest corporation—a gold-mine of information on nearly every aspect of corporate history and practices in the formative period of U.S. monopoly capitalism. It is our impression that this monumental investigation has never been properly evaluated and utilized, and we are glad to take this opportunity to call it to the attention of today's younger generation of radical economists, many of whom are wisely turning to history as a chief and indispensable source of knowledge and understanding.

put their stamp of approval on can therefore be taken as a genuine expression of what the most powerful section of the U.S. ruling class thinks, and indirectly what it intends to do, about these vitally important matters.

The balance of payments of course refers to the amounts of money which annually flow into and out of a country. These flows arise from purchase and sale of goods and services, expenditures of tourists, investments by people of one country in the assets or securities of others, payment of interest and dividends on such investments, upkeep by governments of establishments (civilian or military) in other countries, intergovernmental grants or loans. These items make up the basic balance of payments. In addition, money managers and speculators shift their liquid assets around from country to country in search of higher short-term interest rates or in the expectation of changes in the relative value of different currencies. If the basic balance is in reasonable equilibrium, these additional flows are usually of secondary importance. But if the basic balance gets seriously out of whack, these additional flows can take on huge dimensions—this indeed is the hallmark of international monetary crises of which there have been many in recent years. But these crises are only symptoms of the underlying disease, which is persistent deficits in the basic balance of payments of one or more countries (matched of course by surpluses in that of others).

As nearly everyone must know by now, the chief deficit country in recent years has been the United States. And, in the words of the IEPA report, “the deficits were the result of U.S. government expenditures abroad, for political, humanitarian, and military purposes. Little perceived in 1966, this thesis is now well established and accepted. . . .” (Preface) Prior to last year, these government expenditures abroad were partly offset by a surplus in the private sector (goods and services, investment and investment income, and tourism), but in 1971 the private sector also ran a deficit, with imports exceeding exports for the first time in the twentieth century. Table 1 shows in summary form the basic balance in billions of dollars for the years 1968-1971 (net inflows are plus and net outflows minus):

TABLE 1

	Sector		
	<i>Private</i>	<i>Government</i>	<i>Total</i>
1968	+3.1	—4.8	—1.7
1969	+1.5	—4.4	—2.9
1970	+1.9	—5.3	—3.4
1971	—3.5	—6.2	—9.6

What do these net outflows mean?*

They mean that dollars are going out of the United States and into the pockets and bank balances of foreigners, mostly in Western Europe and Japan. But since experience has shown that there is a limit to the number of dollars foreigners need or want to hold, they also mean a steady weakening of the dollar. Or to put it another way, to the extent that foreigners exchange their surplus dollars for other currencies, the price of the former goes down and of the latter up. And indeed this is what happened on a large scale in 1971, with the dollar depreciating sharply against other leading currencies. An attempt was made—in the so-called Smithsonian agreements of December 1971—to establish a new and hopefully lasting set of parities. But it is obvious that if the net outflows continue, these new parities will be no more viable than the old ones were. It follows that the position of the dollar depends essentially on the basic balance of payments and that policies designed to strengthen the dollar can only be policies aimed at reducing, and if possible eventually eliminating, the deficit in the basic balance.

But before we go on to examine the policy recommendations of the IEPA report, we should take note of the authors' answer to a thesis which has been advanced from time to time by ivory-tower economists with no practical experience of the real world of international finance and trade. A fairly lengthy quotation here can help us to understand what is really at issue when someone like Sulzberger, in the passage cited above, speaks of the "position of the dollar":

There is a "benign neglect" school of thought, which argues that if other countries are unwilling or unable to help the United States earn a surplus on current account, the resulting pileup of

* They do *not* mean that "imperialism doesn't pay." This is a different, though related, question. See Harry Magdoff, *The Age of Imperialism* (Monthly Review Press, 1969), pp. 80-110.

dollar liabilities is "their problem." While there may be some comfort in this line of reasoning, it overlooks the fact that a continued weakening of the dollar lessens the economic power and influence of the United States. The displeasure of foreign private and central bankers, as expressed in continuing demands for "convertibility" and/or reform of the monetary system, is not without means of retaliation. Many countries already have installed some form of capital controls; the French, and to a lesser extent the Belgians, have established a two-tier exchange rate for the dollar. This has the effect of subsidizing current account (i.e., trade) exchange rates, while allowing the capital account rate to float downward, thus discriminating against the new investment dollar. In effect, this serves to frustrate the expectations of those monetary theorists who believe that a downward floating exchange value of the dollar will rectify the trade imbalance by increasing the price of imports and reducing the price of exports.

There are other, more dangerous, "unthinkable" thoughts that have floated into view as a response to the increasing accumulations of dollars abroad. It is not entirely coincidental that former French Premier Mendés-France has formally suggested that Europeans use their surplus dollars to buy out American investments in Europe, presumably on a compulsory basis, and thus "disenclave" the American investment presence. . . . An official of the United Auto Workers has advanced precisely this suggestion as a solution to the accumulated balance of payments deficit. While these views are somewhat isolated at present, support for them could grow rapidly if "benign neglect" became official policy.

What lurks behind the money veil is thus "the economic power and influence of the United States" and, even more crucial in big business eyes, the ownership of U.S. investments abroad. These are most emphatically not proper objects of benign neglect!

What approaches, then, to a solution of the continuing-deficit problem are favored by the authors of the IEPA report? First, we should put aside one obvious approach which they definitely do *not* favor. As noted above, they are well aware of the part played by government expenditures abroad in causing the deficit. They do not, however, advocate any basic changes in policy to reduce government outlays. Here is what they say on this score:

The U.S. government should continue to exercise the maximum feasible curtailment of all expenditures affecting the U.S.

balance of payments *which are not absolutely essential for political, military, or economic purposes.*

Although much effort has been devoted to this during the 1960s, there are still some military headquarters and other activities abroad which many experts believe could be further reduced *without affecting basic capabilities.* The point is, however, that without continued government control, expenditures could easily balloon again, negating the gains made from other recommendations. (p. 88, emphasis added)

“Purposes” and “capabilities” are thus not called in question; the only recommendation, certainly non-controversial from anyone’s point of view, is that they should be pursued and maintained with a minimum of waste. This is of course not surprising when we reflect that the government expenditures abroad which are here in question are essentially the costs of empire and that the chief beneficiaries of empire are the giant multinational corporations themselves. The hopes of the report’s authors are accordingly very modest, merely that these costs can be prevented from “ballooning.” (To be sure, they add a recommendation that other countries, especially West Germany and Japan, should bear a larger share of these costs, but this is evidently not something they, or presumably anyone else, are prepared to rely on.)

Given that the costs of empire are essentially untouchable, the authors are obliged to look to the private sector for ways and means to improve the balance of payments. And here they divide the private sector into several parts for purposes of analysis and policy recommendation. It will be recalled from Table 1 above that the private-sector deficit in 1971 was \$3.5 billion. Table 2 shows the IEPA breakdown of this amount.

TABLE 2

Private Sector, 1971

Merchandise Trade	—6.2
Direct Investment	+4.8
Tourism	—2.7
Other Investments	+0.03
Other Services	+0.5
	—
	—3.5

In one respect the method used differs from the usual treatment of balance-of-payments figures. While net capital outflows are usually listed separately from inflows of interest and dividends attributable to foreign investments, the IEPA procedure is to combine these two items in a single figure in order to determine the total balance-of-payments effect of this kind of activity. (p. 99) Thus "Direct Investment" in Table 2 means the amount of income U.S. corporations bring into the country from their foreign branches and affiliates *minus* the amount of capital they send out to these same branches and affiliates. (We entirely agree with the IEPA authors that this is the most useful way of presenting the matter and that it "avoids such deceptive appearances as that long-term capital flows cause the basic balance deficit.")

Looking at the items in Table 2, we see at once that the big ones are merchandise trade and direct investment, and that any real improvement in the basic balance of the private sector will have to occur in one or both of these areas. (Tourism is likewise a substantial item, but it is also a relatively stable one and does not hold out any realistic prospect of significant change one way or the other.) Most discussions of the subject in recent times, especially since Nixon's famous speech of August 15, 1971, have centered on trade as offering the most promising prospect of improvement. Indeed there was much official (and unofficial) talk about the need for a huge changeover in the trade balance, with the \$6-billion 1971 deficit being more or less rapidly transformed into a surplus of comparable magnitude. The devaluation of the dollar in terms of the currencies of other leading trading countries was supposed to set this reversal in train, and by the end of 1971 when the Smithsonian agreements were concluded there was much optimism that 1972 would be the year of the big turnaround. Actually, nothing of the sort occurred—quite the contrary. The IEPA report's sober assessment of the situation is worth quoting at some length:

The first-half 1972 trade figures were worse than in 1971 for three reasons: First, there is a long leadtime before long-term trade arrangements are changed. Second, much of the continuing volume of imports has had higher dollar prices due to devaluation, resulting in a higher total dollar outlay for imports,

while in other areas foreign suppliers have absorbed the devaluation in profit margins, to keep the volume steady. And third, the areas of trade which are sensitive to price are limited. . . . The devaluation of the dollar gives a potential trade advantage of 13.6 percent vis-à-vis the former value of the deutsche mark . . . and 16.9 percent versus the yen. . . . However, this advantage can be applied to only a part of the total trade deterioration, for some U.S. exporters have simply raised prices to equal the devaluation effects, thereby increasing profit margins, but with no increase in volume. Others have found that there is little effect where price differentials with foreign competitors are 25 percent, as in the case of some farm machinery, or 50 percent or more in some clothing items.

This survey of the merchandise trade picture suggests that the problems are of a deep-rooted and structural nature, and that none of the remedies tried thus far are likely to restore a surplus. . . . (p. 33)

Of course this rather gloomy view of trade prospects does not prevent the authors from making a variety of recommendations designed to expand exports, especially recommendations aimed at prying open the European Economic Community's market for agricultural commodities. But nowhere is there any sign of real optimism, and in a chapter entitled "The Outlook for the U.S. Balance," they conclude that "even if the trade balance reaches zero, or a nominal surplus in 1973, as expected by government spokesmen, a large trade surplus even including government-financed exports does not appear to be on the horizon for several years, if at all." (p. 82) No visible help for the beleaguered dollar from this quarter.

After all this, it will probably come as no surprise that our IEPA authors pin all their hopes on direct investment as the savior of the balance of payments and the dollar, calling it in one place (p. 91) "the only substantial positive balance-of-payments breadwinner on the horizon." The calculations and reasoning which lie behind this judgment are worthy of careful note:

In terms of the balance of payments, U.S. direct investment has been consistently helpful, as income and royalties accruing to the United States from branches, affiliates, and subsidiaries have grown from \$2.9 billion in 1960 to \$9.3 billion in 1970, far outstripping capital outflows. The net balance-of-payments contribution of direct foreign investment averaged \$1.9 billion from

1960 to 1964, and rose to an average of \$2.4 billion from 1965 to 1968. It reached \$4.1 billion in 1969, dropped to \$3.5 billion in 1970, and peaked again to \$4.7 billion in 1971. Thus, in recent years, investment has made the major favorable contribution of the private sector to the balance of payments. (p. 35)

So much for the past record. How do the authors of the IEPA report see the future?

Estimates of the payback period, that is, the time in which a given investment pays for itself in balance-of-payments terms, vary widely. It would appear that 10 years is a reasonable estimate for most well-managed operations; and on that basis, a strong case can be made for removing present direct investment controls so as to maximize future returns. America's income from foreign investments could be in the \$15-billion range by the end of the decade. If that objective can be accomplished, these earnings will have played a major role in restoring stability to America's balance of payments; and, of course, once they have been "paid for," the ongoing earnings are a major plus, with no offsetting liabilities. (pp. 39-40)

What the authors are saying here is that, on the average, capital sent abroad to branches and affiliates is recovered in ten years by the parent corporation. This does not mean, however, that the subsidiaries in question have ceased to exist in ten years. On the contrary, they continue to operate and to send part of their profits back to the home office, and from the point of view of the United States and its balance of payments these repatriated earnings are pure gravy. The other side of the coin, of course, is that from the point of view of the countries receiving direct foreign investment, this continuing flow back to the investing country is a pure drain of surplus which could otherwise be invested in the host countries' own development. This is the basis for saying, as we have frequently done in these pages, that direct foreign investment is essentially a suction-pump operation transferring surplus from receiving to investing countries. It is precisely this property of direct investment which the IEPA authors believe holds out the greatest hope for the U.S. balance of payment and hence for the future strength of the dollar.

Our concern here is not so much with the realism of this analysis as with its implications for U.S. policy now and in the years to come. Our authors are quite clear about this, though

they choose not to elaborate on the subject, perhaps for fear of raising doubts and misgivings in the minds of their readers. In any case, one sentence is all that is devoted to the subject: "The sizable investment base which produces this vital [direct investment] income must be protected against political attacks and uncompensated expropriation; viable international arbitration schemes must be developed for investment disputes; and the benefits which foreign investment brings to host countries and to international development generally should be made known more widely." (p. 92)

Of course if the "benefits which foreign investment brings to host countries and to international development generally" were real, there would be no need for special efforts to make them known. And in that case protecting them from political attacks and uncompensated expropriation would hardly present any serious problems. Since in fact, however, direct foreign investment is a vital part of the complex mechanism by which a handful of rich countries exploit the much more populous underdeveloped (and underdeveloping) countries, attempts to sell the victims on the "benefits" involved are doomed to failure.* And when to this are added the obvious attractions to the poor countries of acquiring ownership over their own productive resources, it becomes virtually certain that this job of protecting the investment base which is supposed to be the salvation of the balance of payments and the dollar is going to grow steadily in magnitude and difficulty as the years go by. Naturally, trying to provide the necessary protection is also going to get more and more expensive. Or, in the language used above, the costs of empire are going to "balloon," not however because of mere

* Foreign investments by the developed countries in each other are a different matter. Whether in these cases the host country benefits or not is politically less important than the fact that the same country is itself a foreign investor. European and Japanese multinationals have increasing investments in the United States which in effect play the role of hostages for the safety of subsidiaries of U.S. multinationals in Europe and Japan. Even so, however, U.S. holdings abroad are in most cases so much larger than foreign holdings in the United States that it is not hard to imagine situations arising in which demands to nationalize U.S.-owned assets would become politically powerful. The quotation above (pp. 6-7) in which the authors of the IEPA report cite proposals along this line by former French Premier Mendès-France shows that they too have no difficulty in imagining such things.

waste and inefficiency but because the military machine needed to police rebellious host countries as well as the foreign aid to buy up and maintain watchdog regimes in various parts of the world are bound to go up. And here of course we enter a vicious spiral: direct investment income is essential to pay the costs of empire, but the costs of empire are basically determined by the need to protect the investment income and this is certain to grow as time goes by.

From this profound contradiction there is no escape within the framework of the world view of the multinational corporations and their spokesmen and ideologues. It is their logic which has led to the balance-of-payments crisis they pretend to prescribe for. It is exactly this same logic which has led to Vietnam and—as Michael Klare shows in exhaustive detail in his new book*—is laying the ground for new Vietnams. We should be grateful to the authors of the IEPA report for giving us so clear and exemplary a statement of what this logic really is.

(November 12, 1972)

* *War Without End: American Planning for the Next Vietnams* (New York: Alfred A. Knopf, 1972, 464 pp., \$10).

Inevitably there is a tendency to overestimate the advantages that improved communications confer upon dependent peoples, and to overlook the disadvantages. It is usually assumed that roads and railways act as an instrument of civilization and promote welfare by bringing the people into contact with the modern world, but negro slavery was formerly defended on the same grounds. Whether closer contact is beneficial depends upon its nature and the results, and where, as has happened sometimes on railway construction, large numbers die, or where as has also happened, a whole people fades away, it can be regarded as beneficial to them only on the ground that they are better dead.

—J. S. Furnivall, *Colonial Policy and Practice*, p. 320

GREECE: NEOCOLONIALISM AND REVOLUTION

Since 1945 Greece has played a special and very important role in the American Empire. "Counterinsurgency" began there; the Truman Doctrine focused on Greece; the Colonels' coup of 1967 was a sort of prototype of neocolonial military takeovers; Greek economic development has illustrated the development/underdevelopment contradiction in classic fashion; and finally the long history of the Greek revolutionary movement has raised and continues to raise problems which are common to many exploited countries today. The three articles which follow seek to throw light on these problems as they relate not only to Greece but to many other subordinate units in the American Empire.—The Editors

THE TAKEOVER OF GREECE

By Andreas Papandreou

The Cold War, American intervention on a global scale, America as a large, military-imperialist power begins with Greece and, less importantly, with Turkey, the two immediate objects of the Truman Doctrine. The Truman administration intervened in Greece in 1947 when Britain, tired of fighting all kinds of colonial peoples, asked the United States to take its place as the protector power of Greece.

The intervention of the United States in 1947 can only be described as counter-revolutionary in character. And the economic factor here must not be overlooked. When the administration argued in the Senate that about \$300 million

This is the text of a talk given at a symposium on imperialism at Stanford University in February 1972. Andreas Papandreou was a Minister in the Greek parliamentary government overthrown by the military coup of April 1967, which he analyzes in this talk. He is now a professor of economics at York University in Toronto.

should be invested in this operation, it had to persuade Senator Vandenberg that this would be good primarily for American investment in Greece. Moreover, the intervention was not intended to keep the Soviet Union from taking over Greece. Stalin had already signed Greece away, on December 10, 1944, to Churchill in the famous exchange recorded by Churchill in his war memoirs.

American intervention in Greece coincided with a more general confrontation with the Soviet Union—a confrontation which in Stalin's mind violated the spirit of the Moscow agreement. As a result the Soviet line hardened a great deal, and the various Eastern European regimes, mixtures of Social Democrats and Communists, were toppled and were replaced by hard-core Stalinist regimes. Basically, the Soviet Union was a conservative power and, while today it plays as hard a game as the United States, it did not then and does not now have its own expansionist dynamic. Instead, over the past 25 years the Soviet Union has been adapting itself to the ways of its major opponent, the United States. And in the process of adapting itself to this game, it is itself undergoing very substantial internal changes.

Counterinsurgency in Greece, the United States' first experiment in this type of global intervention, also provided something terribly important for the future. Greece became the training ground for America's counterinsurgency services. In fact, Greece was where the OSS was transformed in substance into the CIA.

The period that starts with Greece is a period of confrontation between the United States and the Soviet Union—a confrontation which is based initially on the U.S. nuclear monopoly. This period comes to its climax in 1962 with the Cuban crisis. It comes to its conclusion when the Kennedy-Khrushchev agreement of 1963 opens a new era—the era of “peaceful coexistence.” In this new period—which, as I shall note later, may be coming to an end—the two superpowers learn to play a very complex game. The substance of this game is that their confrontation must be kept within limits short of a nuclear showdown, that areas of equilibrium should be found and established (as is now the case in Europe), that there are areas where there can be probing for shifts of power,

and that, wherever possible, the "rule of Vietnamization" should be followed—that is, that others should do your fighting, not your own troops. The major and serious violation of this rule has been, of course, Vietnam itself, where direct U.S. involvement in Indochina has resulted in the most massive massacre in modern times, except for the experience of the Europeans and the Jews under Hitler.

In this period of peaceful coexistence, which has cost many thousands of dead, even in the United States, the main motif of American foreign expansionism has been counter-revolutionary in character. And it was the Kennedy administration that really laid the groundwork for what they call conventional warfare. This seemed a sensible route to many at the time, since the threat of a nuclear confrontation seemed too obvious. Nonetheless, it is exactly this tactical shift which has involved the United States, directly or indirectly, in military coups and counter-revolutionary wars almost everywhere on the globe.

What was the fate of Greece in the course of the Cold War? The Greek Left lost the civil war. The Greek government, with massive American aid, won in 1949. The civil war ended in the establishment of a government of the extreme Right. The Americans were represented by General Van Fleet, who was trained in Greece before he went to Korea, and by Paul Porter, an economist. Greece was run by these two men. It was then and in the decade that followed that the American services put together a state and infiltrated it to its very core.

There is a very widespread confusion, we must note here, between a government and a state. Governments come and go. A state is a system of power. It was the state which the Americans, following the civil war, effectively took over. The Greek Army was really made a part of the U.S. army. The Pentagon exercised its control through a military mission and through the "Military House" of the King. The Palace was the main instrumentality through which influence over both the political process and the military machine was exercised by the United States.

It was then that the Greek intelligence services were built by the American CIA. When I myself became Minister, it was my bad luck that I also had the responsibility of supervising the intelligence services of Greece. I remember asking

the General whom we had appointed to head this operation to stop tapping our phones. I thought at least this could be achieved. After a while, he came back to tell me it could not be done, and explained to me that the Greek CIA, as it is also called in Greece, was both administered and financed directly, not via the Greek budget but by the American CIA.

By the end of the fifties, the Greek state was nothing more than a fully controlled American satellite state. By that time, there was no longer need for economic aid. The state was secure. So it was time for American investment to come. And, indeed, it came. It came in the person of Tom Pappas, who at the time represented Esso. He got a deal from the right-wing government of the time that was as exploitative and colonial as any you have seen.

Pappas is a person Americans should know more about than I should, as a Greek. Pappas was finance manager of the Eisenhower campaign in 1956, and founder of the Pappas Foundation, a front for penetration of Latin American educational institutions. In 1968, he announced in an interview with the Greek press that he was proud to be a member of the American CIA, and that every good American should join him. Also in 1968, he flew to Miami to nominate Agnew as a Vice-Presidential candidate, in return for substantial financial contributions to the Nixon campaign.

Tom Pappas was not the only arrival. There were also Onassis, Niarchos, Pechiney. All kinds of companies, or fronts for companies or investment groups or multinational corporations, invaded Greece. And one did not have to look far for official American involvement in this process of economic colonialization. As government, we renegotiated the Esso-Pappas contract over a period of six months, improving the terms for Greece. American pressures were heavy. We received, almost daily, telephone calls, from the economic office of the American Embassy in Greece to "go easy" on Pappas. He later moved on to better things: He is now with Standard Oil. Pappas today is much bigger than he was then. Tom Pappas today holds exclusive rights in Greece over a very large collection of products, all the way from petrochemicals to steel and food. He also brought to Greece an American symbol, Coca-Cola.

The sixties is a time when American capital expands, in

its various forms, in all parts of the world at an accelerating pace. At the same time America involves itself in a truly massive counter-revolutionary operation. The cases are too many to mention here, covering the continents or subcontinents of Latin America, Southeast Asia, Africa, and Europe, and including the cases of Greece and Turkey. There was, indeed, a blueprint for a military takeover, in an operation somewhat different from counterinsurgency, in Greece as early as 1947. In fact, one has to find a new term. And the military technocrats have provided it for us. It is called "preventive counterinsurgency."

What is the character of this preventive counterinsurgency of which Greece, in 1967, was also a victim? Fundamentally, it is contained in the concept of Vietnamization, though the term, of course, came very much later in connection with the very special problem of getting American soldiers back home. This Vietnamization really means that you will get Greeks to take over Greece for you, Turks to take over Turkey, Guatemalans to take over Guatemala. And it is understood, though it can hardly be proved, that at least fifteen such operations, of which Greece is but one, were launched in the sixties, and that all were successful.

Because of the nature of these operations, the Pentagon is able to present these incidents to the American people as *internal* incidents of instability and conflict, in which America is forced to take a stand merely in order to serve its security interests. If military aid is given to the Greek junta, it is not because it is approved, we are told. But, the line continues, given the conflict in that part of the world between the United States and the Soviet Union, it is essential for the security interests of the United States that NATO aid to Greece not be cut off. Such operations also make it possible for the issue to become politically dormant. For, indeed, how many Americans think of Greece as a signal case of American intervention? Americans think of Vietnam, and rightly so, for blood has been spilled on a massive scale. But Indochina represents a *failure* of American imperialism. What of the success stories that bring about the suffocating oppression and blunt exploitation of peoples who have no means of getting their voices heard?

In Greece, the coup of April 21, 1967, was carried out by

five junior officers, assisted by another 150 or so junior officers. Of the five, three had been in the intelligence services of Greece. Papadopoulos was the liaison man between the Greek CIA and the American CIA. In fact, he is the first CIA agent, to our knowledge, to be Prime Minister of a European country. The other two men, Roufogalis and Makarezos, were top officers of the Greek CIA. A fourth, Hadjipetrou, was the Greek officer in charge of the U.S.-NATO missile firing base in Crete.

As I noted before, the Greek CIA is really an American outfit. Thus the whole question of whether the coup was American or Greek is a perfunctory exercise. But we have learned something since then: in the Greek black-and-green berets who carried out the coup, the leadership was provided by a group of American CIA officers in Greek uniforms. This we have learned just now from an officer who has defected from the Greek junta.

How do five men take over a country overnight? They did so on the basis of a NATO plan with the code named Prometheus. The plan was on computer tape, prepared in Washington and revised there in February 1967. The tapes contained all the names of the people who would be arrested, as well as the names of the officers who would be arresting them. It was programmed by an MIT graduate computer scientist who now lives abroad. As reliably reported by Marquis Childs in his syndicated column, the decision to carry out the coup was made by a subcommittee of the U.S. National Security Council in February 1967 under the chairmanship of an economist, W. W. Rostow.

The record of this regime in Greece is a record of oppression and brutality. When one talks about oppression and brutality in our age, one finds it difficult to make a case against minor oppression and brutality when its major forms are the defoliation and genocide that takes place in Indochina. One cannot argue that the cost to the Greek people of American imperialism has been anywhere near the cost to the peoples of Indochina. Nonetheless, when the Council of Europe took the unique step, in April of 1970, of ousting the Greek junta from its ranks, it did so on the simple grounds that the regime ruled by systematic torture. It based this decision on the evidence of

over two hundred cases of torture, which is but a small sample of the total population subjected to torture in Greece. The tortures are inflicted by modern methods, including genital electric shock—methods identical, in every technical detail, incidentally, to those used in Brazil.

During this period, the Greek people have been anything but apathetic. Five years after the coup, the Colonels do not feel safe enough to lift martial law from Athens, Piraeus, and Salonika. They do not feel safe enough to let even professional groups like lawyers elect their own leaders, let alone labor unions. But quite apart from that, there have been innumerable acts of active resistance in Greece. When we sat down simply to make a partial list of reported acts, we filled nine pages. This is quite a substantial record, and we are proud of our youth who lead the way in this very difficult and uneven struggle.

How did the world react to Greece's ill fate? The Western Europeans were at first shocked. They had not expected this sudden reappearance of fascism in Europe. And even people in high offices did not believe that the Americans had anything to do with the coup. Europeans still held the image of America as a benign democracy.

The Europeans were shocked, and mobilized to aid our cause. But, as they proceeded to the ouster of the Greek regime from the Council of Europe, they began to see the determination of the American administration to maintain the junta in power. Secretary of State Rogers flew to Europe in December of 1969 to persuade governments through all possible means not to vote for the ouster. It was then that the Europeans understood that the coup was a Pentagon coup, imposed to serve American strategic and economic interests. But, instead of then rising up in memory of the 25 million dead of the war against fascism and saying "No, we do not want a return of fascism in Western Europe," they found the challenge too big and gave up. As one very friendly and progressive Prime Minister told me in June of 1971: "We can do no more. For we depend on the United States for at least three major issues: approval of Brandt's *Ostpolitik*, the devaluation of the dollar, and the entrance of a number of countries into the Common Market. The outcome on all of these issues will be dominated

by the decision of the United States. We cannot, therefore, produce additional irritants to it."

Aside from being bitter news for the Greeks, this honest statement provides an important warning against an optimistic interpretation of recent economic developments in Europe. It is wrong, I believe, to read these developments as an indication that Europe is becoming a serious bargaining party vis-à-vis the United States.

So Greece was taken over, but to what end? There is a liberal interpretation, advocated by men like Arthur Schlesinger, based on strictly military-strategic thinking. It argues that, in the context of Cold War conflict, the Pentagon's military technocrats must create a long-term, global strategy with ever-new weapons systems designed on a geo-political basis. Greece is essential as a staging area for U.S. military actions in the Middle East. Such investments in weapons systems should not be subjected to the risks of political change, of popular sovereignty and democratic processes. Since it is risky to allow the Greek people to decide if they want twelve American bases on their soil, democracy must die in Greece.

This interpretation, however, does not go far enough. For there is a very simple question: Why should the United States be involved in the Middle East, which is not so close to its shores? If you ask that question and then ask what is so valuable about the Middle East, you get an answer: oil.

There is another important factor. Greece itself is being colonized at a fantastic pace. There is only one word to express what is happening in Greece today. That word is rape. Greece is free territory. A small handful of firms control nearly everything worth controlling. Income distribution, despite continuing growth in national income, is clearly worsening. Greeks are leaving their country en masse. One hundred and ten thousand leave each year to become cheap labor in countries like Germany. And as former Secretary of Commerce Maurice Stans told the junta last year in Athens, in a touching after-dinner speech, in no country is American investment protected so well, and in no country are better terms being offered than in Greece.

But Greece has become more than just another strategic base, more than just another colony. Greece has become a

training center for counterinsurgency in the world. The Cambodian officers who overthrew Prince Sihanouk were trained in Greece by the expert Colonels. The Ugandans who overthrew their government were trained in Greece. And, as a member of the Italian government told me last year, the CIA is no longer guiding the neofascist paramilitary groups of the Movimento Sociale Italiano. The Greeks have now taken over.

Western Europe's passivity on Greece points to more general developments. Europe is rapidly being polarized into North and South. The North prospers and also enjoys parliamentary institutions and basic political freedoms. The South—Spain, Portugal, Greece, and Turkey—is now fascist, or, to be more precise, militaristically neocolonialist. Spain and Portugal are relics from a different era, but have been resurrected and incorporated into the defense system of the West. There is, in fact, a pyramid of power evolving with at least three layers: first, the United States, then Northern Europe, and then Southern Europe. There is a fourth layer if you wish, constituted by the Middle Eastern and African states.

A few remarks must be made about the Soviet bloc. The initial Soviet reaction to the Greek coup was one of complete acquiescence and acceptance of the American military takeover. In the context of "peaceful coexistence," after all, the books had been closed in Europe. However, there is just now a change in Soviet attitude, and possibly a very serious one, with respect to the Balkans. Very recently, the Soviet Union is said to have informed the United States indirectly that, because of the Pentagon's decision to establish a naval base for the Sixth Fleet in Piraeus, the Kennedy-Khrushchev agreement is no longer valid with respect to Cuba, and that it may anchor submarines there. This Soviet challenge to American prerogatives in Greece is the result of certain important developments. First, Yugoslavia has slipped into the embrace of NATO. It received \$200 million in intelligence funds from the United States in 1968 to purchase small arms to organize a guerrilla army for confronting a possible Soviet invasion. It recently received additional money from the United States via the Greek Colonels, whom it has agreed to live with in the Balkans. Yugoslavia, incidentally, also arrested two freedom fighters very recently who were running resistance material into Greece. Further,

Rumania has begun overtures toward the People's Republic of China. Thus the balance of power in the Balkans has been shaken.

There is finally Cyprus, which may provide a new Cuba for the United States and the Soviet Union and may also provide for the Greeks the great opening for the confrontation that may liberate us.

I spoke to you tonight as leader of the Panhellenic Liberation Movement (PAK). We are committed to a liberation war until freedom comes to Greece, until Greece is independent. We shall not, when free, participate either in NATO or the Warsaw Pact. Our vision is to build a socialist society in which human rights are respected and in which the citizen has the possibility of participating directly in the key decisions that affect his fate.

The modern laborer . . . instead of rising with the progress of industry, sinks deeper and deeper below the conditions of existence of his own class. He becomes a pauper, and pauperism develops more rapidly than population and wealth. And here it becomes evident that the bourgeoisie is unfit any longer to be the ruling class in society, and to impose its conditions of existence upon society, as an overriding law. It is unfit to rule, because it is incompetent to assure an existence to its slave within his slavery, because it cannot help letting him sink into such a state that it has to feed him.

—Marx and Engels, *The Communist Manifesto*

GREECE: A CASE OF NEOCOLONIALISM

By An Economic Observer

Four and a half years after the military takeover in Greece, the accumulated evidence of U.S. support to the Colonels would seem to leave no doubt about the neocolonialist nature of the regime: U.S. lobbying against the expulsion of Greece from the Council of Europe; the resumption of arms deliveries (which, however, were never really suspended); increased military and intelligence co-operation, highlighted by the successive and highly publicized visits of American generals to the Prime Minister; the vigorous defense of the junta's policies by the administration at Congressional Committee hearings and by the Embassy in Athens; and last but not least the visit of Vice President Agnew. If these are set against the Colonels' *volte face* on the Cyprus question, consisting in attempts to impose a *de facto*, if not *de jure*, partition of the island against the will of the Cypriot Government, the subsequent closing of the ranks with Turkey under the aegis of NATO, and the concessions to U.S. capitalists, the picture of a neocolonial bargain clearly emerges. The available information on the connections between the CIA and the junta before the coup only strengthens this presumption.

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Some analysts, however, refrain from drawing such a conclusion. It is argued that the establishment of a neocolonial dictatorship presupposes "a major military apparatus of foreign imperialism on the spot, to reinforce the mechanisms of local coercion which are by definition fragile to the extent that they represent only foreign capital."¹* The total logistic dependence of the Greek armed forces on U.S. supplies would seem to undermine the importance of this criterion. On a more fundamental level it is pointed out that the coup d'état has been the response of the Greek bourgeoisie to the deep social crisis of the sixties that had arrayed a radical class alliance of workers, peasants, and petty bourgeois against it. The association of Greek with foreign monopoly capital is taken to imply that imperialism sets the long-run objectives rather than "dictates" the bourgeoisie's policies.² (It would seem that such distinctions apply more to a nineteenth-century Latin American context than to the sophisticated realities of modern imperialism; the gigantic metropolitan multinational corporation penetrates the periphery through subtler means than import-export enclaves.) Thus, the conclusion follows that "the Greek coup d'état must be seen as the inauguration of an essentially indigenous dictatorship in the sense that it derives principally from the internal political and social contradictions . . . between the big bourgeoisie whether national force or local representative of foreign capital, and the popular masses. . . ."³ The argument does not go so far as to assert that the Colonels' regime is as indigenous as classical fascism. The differences compared to prewar Germany are recognized—associated versus independent bourgeoisie, absence of economic crisis, lack of popular basis. But the analysis, if supplied with remarks properly emphasizing the importance of the junta's quarrel with the traditional political personnel of the Right, can be stretched to the point to make the regime resemble, say, Qaddafi's Libya—a line of argument that slipped twice in one month into the editorial pages of the London *Economist*.

The obvious fallacy of this equation (arising from the simple fact of Arabic anti-imperialism as opposed to the junta's subservient attitude to the United States) invites a closer analy-

* Notes will be found at the end of the article.

sis of the Greek situation. An examination of the origins and the development of the association of the Greek bourgeoisie with U.S. imperialism should determine to what extent the contradictions of postwar Greek society can be labelled "internal."

Bourgeois Comeback and U.S. Aid

Reconstruction and stabilization were the main tasks facing the bourgeois coalitions instituted in power by the British at the end of the Second World War, tasks which had to be carried out under conditions of full-scale class war against the Communist-led National Liberation Army which, in 1944, after having fought against the Germans, was in control of most Greek territory.

Agricultural production, which in 1945 was about half the 1936-1939 average, reached the prewar level in 1948; while industrial production rose from 31 in 1945 to 124 in 1952 (1939 = 100).

Agriculture in the early fifties contributed about 35 percent of the Gross Domestic Product (GDP) while it employed approximately 55 percent of the labor force. Manufacturing contributed 17 percent of the GDP and employed approximately 13 percent. Thus the remaining sectors employed 32 percent of the labor force and produced about 52 percent of the total output.

During this period, strong inflationary pressures were operating in the economy. The cost of living index in Athens showed an astronomic rise from 19 in 1945 to 363.3 in 1952 (1938 = 100).

The deficiency in the supply side and the psychology of the civil strife which lasted (with intervals) for five years were undoubtedly inflationary factors, but they were not the only ones: the fiscal, credit, and incomes policies of the authorities over the 1944-1952 period contributed considerably to the inflationary momentum, as will be shown below.

Budget deficits were an annual occurrence in this period. Part of these deficits were covered by counterpart U.S. aid funds, but the rest by Bank of Greece advances, i.e., through resort to the printing press, which had a direct inflationary impact. The deficits were due to the more than doubling of military expenditures for the financing of the class war, as well as

to the decrease of revenues as compared to a prewar fiscal year. Professor Varvaresos, the distinguished Greek economist, in his most interesting report to the Greek Prime Minister in 1952 explains this as follows:

The restoration of national production and the availability of American aid mean that aggregate incomes are larger than before the war. It is well known, however, that the incomes of a large section of the population continue to be lower than prewar. This means that the incomes of the remaining sections must be considerably higher than before the war. We all know which are these sections: they are mainly the commercial and industrial classes. That these classes realize very large incomes cannot be proved statistically, exactly because they do not fulfill tax obligations. It is, however, common knowledge that they live far more comfortably than before the war, which for a poor country such as Greece is not only a luxury but also a provocation to public feeling, and that, moreover, they accumulate fortunes in the form of gold hoardings and capital exports, when before the war many of these now prosperous businesses barely managed to meet their expenses.⁴

According to their own tax declarations, the business and professional classes earned 12 percent of the national income in 1950-51. Professor Varvaresos's figure, however, is 32.5 percent. The huge divergence of the declared and estimated taxable income of the bourgeoisie indicates the size of the indirect inflationary impact of tax evasion by means of luxury consumption and investment in gold and foreign exchange.

During the whole of this period the credit mechanism was in total disarray. Total credit to the economy nearly quadrupled between 1947 and 1952, mostly through the issue of new money by the Bank of Greece. Was this expansion justified? Professor Varvaresos answers as follows:

First, part of the credits are obtained not by those who need them for productive purposes, but by powerful and influential businessmen who have ample means to finance their operations. Second, the pressures exercised result in large sums being granted to individuals whose contribution to the improvement of the economic situation is small. Third, the criteria applied by commercial banks which are virtually uncontrolled do not take sufficiently into account the needs of the country and sometimes are wholly unrelated to these needs.⁵

This abundance of credit funds provided another source of speculative activities for the capitalists.

Besides budget deficits and credit expansion there was a third factor reinforcing the inflationary process: the disproportionate rise in prices of industrial goods due to the monopolistic structure of Greek industry and commerce:

Between these (oligopolistic) firms there exists an explicit or implicit understanding to maintain prices at high levels and avoid any form of competition which would lead to a fall of prices. With prices determined in this way, profit margins are inevitably excessive and impose a correspondingly heavy burden on consumers.⁶

Moreover, monopoly power enabled the capitalists to offset wage increases with price increases in order to preserve the state of their superprofits and speculative activities, thus sustaining the inflationary momentum. By the early fifties, prices of industrial goods had increased almost twice as much as wages, compared with the prewar period.

The state of the Greek international balance of payments was a very unhappy one throughout the period. The trade deficits were certainly due to the structural imbalances of the economy, but, given the fact that imports considerably exceeded the prewar level, also to the trade policies of the authorities:

No one can seriously question that many goods not essential to the functioning of the economy have been imported into the country. Similarly, I think that no one questions that there is a considerable flight of capital from the country, and it is well known that one of the main methods of exporting funds abroad is the over-invoicing of imports.⁷

In spite of this sort of economic management, the Greek bourgeoisie had by 1952 reconstructed the economy, defeated the National Liberation Army, and consolidated its power while getting substantially richer. It all amounted to more than the restoration of the *status quo ante*: this "miracle" was made possible through massive U.S. assistance; military aid flowing at an average annual rate of about \$150 million provided the means to conduct the class war, while economic aid—on which we shall focus here—compensated for the corruption of the bourgeois administration.

Over the 1944-1952 period, economic aid amounted to approximately \$1,700 million. In the first three years of this period, UNRRA supplies in kind made up almost the whole of imports. Direct U.S. aid consisted of dollar credits to the Greek state, which were deposited in the Bank of Greece. In the fiscal year 1947-1948, these credits were used primarily to improve military communications. In the 1948-1952 period, aid was meant to improve the performance of the economy. Approximately \$275 million were used directly by the government for the importation of commodities; approximately \$775 million were exchanged for drachmae with private importers. Thus the economic impact was two-fold: (1) it covered the foreign exchange deficit on current account and (2) increased the assets of the Bank of Greece. We have already noted the misuse of foreign exchange through the importation of luxury and other non-essential commodities and the export of capital through over-invoicing of imports; it is apparent that U.S. aid in part catered to the consumption and speculative habits of the Greek bourgeoisie.

Turning to the use of counterpart funds, we get the following picture: 35 percent were reconstruction expenditures, both state investments and loans to private enterprises. According to Munkman, who was involved in the administration of these funds, the benefit from them was "less than 10 percent."⁸ The root of the trouble seems to lie in the corruption of the bourgeois state: the higher government officials had, in Professor Varvaresos's words, "an attitude of indifference to the public interest and of favoritism in the handling of departmental responsibilities which was bound to spread to the lower ranks and cause the deterioration of the moral standards of the administration. . . . It was . . . futile to expect that such an inadequate administrative machinery could ensure the effective utilization and prudent management of the material aid granted to the country."⁹ Thirty-five to forty percent of the funds were used to finance budget deficits. In the light of our previous comments on tax evasion, it is apparent that this represents a loss in terms of economic reconstruction as well as an indirect factor in the inflationary process. Five percent of the funds were used to cover the administrative expenditures of the U.S. Mission, while the rest remained unused.

Thus it seems that on the supply side the use of the funds was quite inefficient (to say the least), while on the demand side the increase was distorted and inflationary. The Greek bourgeoisie, already exceptionally prosperous through its monopolistic practices, appears to have taken advantage of the availability of the aid funds in order to indulge in speculative profiteering. The depression of peasants' and workers' incomes implied a low demand for home products which had secondary depressing effects on aggregate supply, while speculation ensured the continuation of hyperinflation.

From the U.S. point of view, however, the wasteful and socially unfair use of aid funds was of no great importance. U.S. policy-makers were able to claim success in 1952 in proping up a corrupt government and establishing a solid anti-Communist regime after all. The policy of "containment" passed its first test.

"Growth without Development" and U.S. Investments

The devaluation of the currency in April 1953 marked the end of the period of instability in the Greek economy; price increases, after some acute initial rise in response to the change in the exchange rate, were kept down to a very moderate rate.

Gross Domestic Product has grown at approximately 6 percent per year over the 1952-1970 period; the share of agriculture fell from 35.3 percent in 1953-1954 to 19 percent in 1968, while the share of manufacturing rose from 17.4 percent to 18.3 percent. The distribution of the labor force among the sectors did not greatly change; agricultural labor fell from 56.2 percent in 1951 to 48.6 percent in 1969, while industrial labor remained almost constant in relative terms (13.4 percent in 1951 compared to 13.5 percent in 1969). Little structural change seems to have occurred in this period: "... growth was based primarily on rising productivity in the leading sectors and on internal transformation of production rather than on a major redistribution of the country's labor force."¹⁰

Gross fixed capital formation rose from 14.3 percent of GDP plus capital imports in 1953-1954 to 24.6 percent of this total in 1968; this last percentage breaks down to 15 percent internal and 9.6 percent external financing. Thus more than one third of capital accumulation in 1968 came from abroad.

Some features of the allocation of investments over the period are indeed striking: heavy concentration in construction (39.8 percent in 1953-1954 and 26.5 percent in 1968, of which a large part was privately invested in luxury apartments) and a very low and falling share of investment in manufacturing (12.1 percent in 1953-1954, 8.8 percent in 1968). Even in absolute value terms, investment in manufacturing was lower in 1961 than in 1958.

The downward trend in the share of investment in manufacturing had a number of important socio-economic implications: (1) given the low capital/output ratio in manufacturing, it exerted a depressing influence on the overall growth rate; (2) it has been the major cause of the growing unemployment and emigration (the annual number of emigrants rose from 30,000 in 1955 to 117,000 in 1965); (3) by depressing the demand for labor, it kept wages at near-subsistence level; and (4) by keeping manufactured exports down, it has been the main cause of the growing trade deficit (\$102 million in 1953, \$1,092.3 million in 1970).

The inflow of private capital was in this period quantitatively much more important than aid. The regulations governing capital imports were established by Article 112 of the 1946 Constitution as well as Legislative Decree 2687/53. The constitutional clause postulates that "an act once and for all shall regulate the protection of capital imported from abroad to be invested in the country." According to constitutional lawyers, the phrasing of the article indicates the intention of the drafters to give such capital a special status "beyond that given to private property through other, more or less general, provisions of the Constitution"; in fact, foreign capital was exempted from the general constitutional provision governing the expropriation of private property for "public benefit and after full indemnification." Furthermore, the use of this constitutional form assures that this protection "may not be withdrawn later by explicit or implicit amendment of the relevant enactment, since Article 112 of the Constitution provides for a unique act to be promulgated once and for all."¹¹ (The constitutional guarantee of the power of L.D. 2687/53 is repeated in Article 23 of the junta's 1968 Constitution.)

The main provisions of L.D. 2687/53 are the following: (1) Repatriation of invested capital: one year after the start of production, capital may be repatriated at the rate of 10 percent per year. (2) Repatriation of profits is allowed up to 12 percent of the imported capital per year; payment of interest on loans raised abroad is allowed up to 10 percent annually. (3) Taxation: special tax concessions may be granted to foreign exchange-saving and/or export-oriented enterprises. (4) Status of foreign personnel: foreign enterprises may employ, on certain conditions, foreign personnel whose earnings may be transferred abroad.

Further concessions have been made by Laws 4171/61 and 4256/62. In addition to the tax concessions already established for foreign exchange-saving and exporting firms, Law 4171 permits the freezing for 15 years of local taxes and dues and of income-tax rates, and also exemption from capital taxation until the long-term loans of the enterprise are repaid. Under Law 4256 foreign capital and the earnings of this capital can be repatriated at higher rates than those specified in the earlier law; the limit of the interest payments of foreign loans is also raised.

Indeed, it seems that major constitutional provisions as well as the common law are suspended for the servicing of foreign capital. Even Dr. Westebbe, a metropolitan economist, finds "surprisingly few defects in the legislation"; "in general," he says, "these laws, the legislation to promote industry and the Treaties of Friendship, Commerce and Navigation, treat the foreign investors at least as well as, and in many cases better than, he is treated in other countries."¹²

The junta lost no time in eliminating even those "surprisingly few defects," through two Emergency Laws issued soon after the coup. Their power is rendered permanent (within, of course, the legislative status quo) by the following section of Article 23 of the 1968 Constitution:

3. Emergency Law 89 of the year 1967 "Concerning establishment in Greece of foreign commercial and industrial companies" and Emergency Law 378 of the year 1968 supplementing the above, cannot be amended. Subsequent laws to be issued only once and for all may amend them only to confer additional protection.

In the decade 1953-1963 projects were authorized valued at approximately \$400 million, while in the years 1963-1970 the figure may be safely assumed to have been much greater. The U.S. share was almost half and its allocation showed a heavy concentration in manufacturing, the other items being mining and tourism.

In view of the fact that virtually all important industrial investments approved under Law 2687 have been of the foreign exchange-saving type, i.e., import substitution, the following statement seems to be accurate: "A careful review of individual investments indicates that, at least until very recently, Greece was attracting investors interested mainly in exploiting the wide domestic profit margin."¹³

An important feature of the investment policy of the bourgeois governments has been the clear bias in favor of big projects, which never failed to provoke acute reactions, even by segments of the bourgeoisie, because of the lucrative terms under which they have been authorized.

The astonishingly preferential treatment of foreign capital by the Greek bourgeoisie can only be explained in terms of its unwillingness to make full use of the domestic economic surplus that it expropriates for the development of the country. Foreign-owned assembly plants and hotels, however, do not lead to industrial breakthrough, while the lucrative concessions governing the volume and repatriation of foreign companies' earnings, as well as existing clandestine ways of repatriating profits (like the over-invoicing by Greek subsidiaries of imports from the parent companies), facilitate a substantial outflow of the domestic surplus. Most importantly, the sheer size and technological superiority of these foreign industrial complexes ensures them a dominant position in the Greek economy from which they are able to exert decisive leverage in Greek political affairs in order to preserve or advance their interests.

Imperialism, the Bourgeoisie, and the Junta

The re-imposition of bourgeois rule by the United States stands out as the crucial fact of postwar Greek politics. As our analysis has shown, the bourgeoisie could not have survived the revolutionary ordeal without massive U.S. economic and mili-

tary aid. Its dependent status was further consolidated in the subsequent years through its satellization to U.S. monopoly capital. Economic growth in these years has taken place on a contradictory social base: stagnant industrial employment leading to the swelling of the "reserve army of the unemployed" (largely channeled abroad) and the lumpenproletariat, and thereby to low wages and salaries along with high growth rates and profits. The contradictions culminated in the social crisis of the sixties, which for the first time since the civil strife reopened the question of the legitimacy of bourgeois domination in Greece. It was then that the army came in.

U.S. capital may not have exclusively or directly invited the Colonels—we need not take any such mechanistic view of the political process—but both the acuteness of class antagonisms and the contradictory development of the economy, the two major underlying causes of Greek neo-fascism, are in the last analysis derived from the operations of imperialism in postwar Greece. On the one hand, the total reliance of the bourgeoisie on the United States to fight the Communists by distorting the real balance of the social forces and reversing the outcome of the struggle generated bitterness on the one side and a feeling of insecurity on the other. The dominant element of postwar official ideology has been anti-Communist hysteria to which the Colonels have given its most insane expression.

On the other hand, the bourgeoisie's reliance on the inflow of imperialist capital, by satellizing the economy to metropolitan capitalism, developed the contradictions of Greek society. Imperialism, instead of making up for the bourgeoisie's incapacity to industrialize the country, solidified it; while the policies to make Greece "attractive" to foreign monopoly capital by depressing labor's share in income and political power (via the manipulative imposition of an obedient trade union leadership and a variety of restrictions on strikes) and reinforcing monopolistic tendencies in industry (via fiscal and credit favoritism towards big capital) intensified the class conflict. Indeed, the social contradictions of postwar Greece, when placed within the wider context of imperialism, cannot be meaningfully termed "internal."

The suspension of the parliamentary game was meant to restore the eroding authority of imperialism and the bourgeoisie

in Greece. In foreign policy, the silencing of public opinion makes it easier to carry out American directives; on the domestic front, the established policies of the bourgeois parliamentary governments are followed with an increased bias in favor of capital—strikes have been made illegal, legislation has been introduced to disqualify unfriendly members of trade union leadership, collective labor-management negotiations have been submitted to government supervision, further concessions have been made to big, mainly foreign, capital—while the social agitation produced by these measures is suppressed through the application of the most brutal methods of surveillance and punishment, including, in the Council of Europe's words, the "systematic use of torture."

Two objections can be raised against this analysis. First, it may be argued, on the grounds that the Greek Left was headed in the 1964-1967 period by the left wing of the Center Union, an eminently bourgeois party, that the principal contradiction was of an intra-class rather than inter-class nature. Thus, the Colonels are made to appear as having profited from an intra-ruling-class conflict in a thoroughly opportunistic style. The argument is simplistic because it overlooks the fact that personnel changes in the officer corps and the subsequent liberation of the armed forces from the grip of the Right which were envisaged by the opposition would open the possibility of the formation of a popular front at the next stage, a frightening prospect for the big bourgeoisie and imperialism. It is the inter-class undertones rather than the intra-class appearance that mattered in the political debate of the spring of 1967.

Alternatively, it may be argued that the absence of clear evidence that foreigners participated in the planning and/or execution of the coup would seem to indicate that the principal contradiction was between the big bourgeoisie, not imperialism, and the working people. The real question, however, is why the big bourgeoisie was so inflexible as to be unable to swallow even a slight opening to the Left and the mild economic and social reforms that would have gone with it; why it feared that this would eventually lead to a Popular Front and not to a simple remodeling of its domination and, thus, a solidification of its position, as sophisticated left-of-center intellectuals would have desired. The answer to this has been suggested above: the

bourgeoisie was moving within the basically narrow constraints of neocolonial dependency. These have been determined by its role as suppressor of revolution by grace of the United States (in other words, its acute sense of insecurity prevented it from giving in an inch of its power) and its incapacity to proceed to a rapid industrialization of the country which, paradoxically, was both the motive for, and to a certain extent the effect of, its satellization to metropolitan capitalism.

The conclusion that seems to follow is that the Colonels' regime, both as to its origins and behavior, is fundamentally a neocolonial dictatorship.

The Outlook for Greece

We may now consider in a brief and tentative way the possibilities of change that seem to be open in today's Greece.

Foreign observers have been somewhat amazed at the success of the junta in depoliticizing the masses and suffocating the class struggle. This is not altogether surprising, given the special conditions under which it took place.

Firstly, the recovery of the economy from the 1967 recession has enabled the Colonels to buy off potential protest: in March 1968, they cancelled farmers' debts to the agricultural bank which totalled about 8 billion drachmae, and they have allowed wages to rise at an annual rate of about 8-10 percent since 1968, i.e., about 4-6 percent in real terms.

Secondly, the junta's quarrel with the traditional Right has succeeded in rallying the whole *classe politique*, supported by the liberal element in the U.S. Congress, against it under the banner of "democracy." The result has been that the focus of the political debate has moved regressively from the social struggle to the form of government; moreover, the illusion has been created that the Colonels may be thrown out through behind-the-scenes maneuvering, which invited an attitude of *attentisme* especially among the petty bourgeoisie.

The situation, however, is changing. The international payments position is rapidly deteriorating. Already the junta has had to negotiate a \$60 million loan from a consortium of North American banks, and the Hellenic Industrial Development Bank has arranged a line of credit for \$250 million from British and French banks. The servicing and repayment of state and pri-

vate loans from abroad could rise to \$130 million in 1973. The Colonels will have to start deflating soon, and with a lower growth rate there will be less room for wage rises.

On the political level, the consolidation of the regime's position both domestically and internationally—marked by the increasing concentration of power in the hands of Papadopoulos—is tending to bring the bourgeoisie and imperialist capital into an exclusive relationship with the Colonels. Conservative elements and other members of the old ruling elite seem to have realized this switching of loyalties and are accordingly trying to reach a new accommodation. The likely outcome will be the, at least partial, absorption of the traditional Right into the new fascist structures and *ipso facto* the breaking-up and dissolution of the “democratic” front. This, by unveiling the fundamental contradictions, may open the way to a repoliticization of the masses—the struggle may soon be fought again on class lines.

It is impossible at this moment to predict the precise structure and the potential strength of the eventual new radical class alliance. These questions, however, form only part of the Greek problem. The class struggle is not (and never has been) an “internal affair” of the Greek people. The postwar association of the Greek bourgeoisie with U.S. imperialism has placed it in the arena of the Cold War, so that the attitudes of the superpowers are decisive for its outcome. Today it seems that the Soviet “peace offensive” in Europe promises the Greek bourgeoisie a few years of reasonably easy life under imperialist protection. Tomorrow, of course, things may change. The Left must be strong and ready to grasp any opportunity that is offered.

NOTES

1. Tsoucalas, Constantine, “The Greek Junta,” *New Left Review*, no. 56, p. 14.
2. *Ibid.*, p. 14.
3. *Ibid.*, p. 15.
4. Varvaresos, K., *Report on the Greek Economic Problem to the Prime Minister*, Washington, 1952, p. 42.

5. *Ibid.*, p. 79.
6. *Ibid.*, p. 88.
7. *Ibid.*, p. 156.
8. See Munkman, C. A., *American Aid to Greece* (New York: Praeger, 1958), p. 284.
9. Varvaresos, *op. cit.*, pp. 204-205.
10. Center of Planning and Economic Research, *Analysis of Economic Effects of the U.S. PL 480 Program in Greece* (Athens, 1965), p. 37.
11. Evrigenis, D. J. (et al.), "Some Aspects of the Legal Protection of Foreign Investments in Greece," in Center of Planning and Economic Research, *Industrial Capital in Greek Development* (Athens, 1964).
12. Center of Planning and Economic Research, *Industrial Capital in Greek Development*, p. 299.
13. *Ibid.*, p. 293.

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DEMOCRATIC OR SOCIALIST REVOLUTION IN GREECE?

By Fondas Ladis

This article bears the same title as a book that was written in 1934 and to some degree is its summary. The author was Panetelis Pouliopoulos, the Secretary-General of the KKE (Greek Communist Party) in 1924-1925. The questions he discussed forty years ago are exactly the questions which have dominated the Greek movement since the coup of 1967. What are the goals the Greek proletariat must set for itself? Is the way to liberation through a transitional alliance with the Greek bourgeoisie, or is it through autonomous struggle under its own leadership while allying itself only with other oppressed classes and groups?

This is an old question and has dominated the history of the Greek workers' movement since its inception. In the last four decades there has been an endless and raw oppression by the state, two outright dictatorships (1936 and 1967), and two periods of armed struggle (1944 and 1946-1950). The Left has been the loser in these struggles. My purpose here is to show how these heavy political and military defeats are attributable in a very large measure to the position taken by the

Fondas Ladis was a journalist in Greece before the coup of 1967. Since then he has lived abroad and has written under the pseudonym Kostas Theocharis for various left-wing papers and magazines, including *Problemi del Socialismo* (Rome) and the Italian edition of MR. He is co-author of a forthcoming book entitled *Violence and the Accumulation of Capital*. The author gave the article the subtitle, "Some Problems in the Revolution in One Small Country."

KKE, first formulated in the thirties, that conditions in Greece do not permit a socialist revolution.

A number of allied problems compose the basic question: Does the stage of development of the Greek economy allow us to speak about socialism? What are the characteristics of Greek industry? How large and of what kind is the Greek proletariat? What is the composition of Greek society? What is the nature of the Colonels' rule? Is it fascism? Is this political system so different from the one before April 1967 as to justify a transitional coalition of classes for its overthrow? If it is fascism, what are the programs and coalitions that the working class can use to achieve permanent gains and not more compromises that leave the old foundation intact, and with that foundation the elements for a new wave of oppression? To put it briefly, we are back at the old argument over "popular" vs. "united" fronts.

The Greek question is not local and peculiar but part of a general question before the peoples of scores of nations. All these peoples have a double problem to resolve: their ailing economy and its accompanying political stagnation. The ruling class counterposes successive military coups as the sole answer to these problems. This boils down to a game among power groups within a limited circle. The system "softens" or "hardens" only as a matter of tactics. In posing a revolutionary alternative it would be meaningless to make the socialist or nonsocialist character of the battle dependent on the degree of development of a clearly capitalist economy, like the Greek economy, if one sees that battle as only a move in a war being carried on in a much larger setting.

Unfortunately, studies of Greek capitalism are few and insufficient. There has been no satisfactory study of the development of the Greek economy since the eighteenth century (the eve of the war of liberation against the Turkish Empire and the birth of the modern Greek state). Most studies have been characterized by facile regurgitation of statistical information to serve a predetermined line. One of the very few exceptions is Pouliopoulos's book *Democratic or Socialist Revolution in Greece?*

Pouliopoulos's broad theoretical and general education was

an exception in the Greek movement, which has been plagued by a low level of theory. He had command of basic foreign languages and with G. Doumas translated Marx's *Capital* and the *Critique of Political Economy* into Greek. He also translated works by Kautsky, Trotsky, and Bukharin. Aside from the book already mentioned, he wrote two short pamphlets, *Monarchy, Democracy, Communism* (1935) and *Popular Fronts—World War II—The Dictatorship of August 4, 1936*, which were reprinted in 1958 in one collection. These scholarly and theoretical contributions, as well as Pouliopoulos's personal history, are largely unknown to the majority of Greek militants, because Pouliopoulos was dropped from the KKE in 1927 as part of the purges which took place on an international scale at that time. Pouliopoulos worked with small revolutionary groups (Spartacus in 1928 and the United Communist-Internationalist Organization of Greece in 1937) until his arrest in 1938 during the dictatorship of Metaxas. He and many other communists were turned over to the Italian fascists during the Second World War. In June of 1943 he was among 107 communists executed by the fascists. He was 43 years old.

The younger generation of Greek revolutionaries will encounter some difficulties with the analysis he offers, because the movement remains troubled by such taboos as that against Trotskyism, even though it seeks new approaches. Pouliopoulos was, in fact, an admirer of Trotsky's personality but took a very critical and antagonistic position toward Trotsky's *organizational efforts*. He had a similar critical attitude towards Marx, Lenin, and others because he believed that "the personality cult and deification of the leaders within the working-class movement is a remnant of bourgeois psychology."

Pouliopoulos's major work was a direct response to a decision taken by the Central Committee of the KKE in 1934. At that time, the KKE stated that the revolution in Greece would not be proletarian but bourgeois-democratic. Rather than a "dictatorship of the proletariat" there would be a "democratic dictatorship" of the workers and lower-middle peasantry. This system would be provisional and would be succeeded "sooner or later" by a dictatorship of the proletariat. During the first democratic stage there would be no socialist revolu-

tionary measures. The workers and lower-middle peasants would bring about the bourgeois-democratic transformation of the country, since the bourgeoisie had proved itself unsuitable for this assignment.

It is worth noting that this theoretical conflict between supporters of the "dictatorship of the proletariat" and those of the "government of peasants and workers" had never ceased within the international communist movement. Those who before 1917 had denied that the proletariat should have a dominant role in the revolution, all (except Lenin) returned to this incorrect position only a few years after the severe blow the position had been dealt by the October Revolution. The regression started shortly before the Fourth Congress of the Third International (end of 1922) when Zinoviev talked about a "third form of government" composed of "unionists, social democrats, and possibly communists which, without yet being the dictatorship of the proletariat, might provide a start for it." It is not necessary to elaborate on the destructive consequences of this theoretical position, beyond pointing out that they were felt much earlier than the civil wars in China or Spain—specifically in Germany where this position had weakened the CP to the point where it was unable to exploit the revolutionary potential of the workers during most of the year 1923, with results all too well known to us today.

The KKE took the position in 1930 that "the revolution in Greece will be a proletarian revolution that will also have to fulfill a bourgeois-democratic function of great breadth." A particular argument which later led to the abandonment of the dictatorship of the proletariat was concerned with the remnants of feudalism. These remnants have been inflated or deflated by the KKE, depending on the momentary needs of the Party. Thus in 1930 Greece is "without serious feudal remnants," while in 1934 the Sixth Plenary finds "serious remnants of quasi-feudal relations." The difficulty continues through 1966 when the KKE states: "Despite their important decrease after the war, certain partial feudal remnants still exist in the countryside." Both factions of the KKE, since the split of 1967 following the coup, offer programs which promise the definite elimination of these feudal remnants (50 long years after their real elimination) through a collaboration of classes!

The "Necessary Minimum" for Socialism

Pouliopoulos states that the incorrect evaluations of the Greek economy stemmed from "a national static, and not an international dynamic, basis." He was referring to low levels of the forces of production, underdeveloped industry, importation of raw materials, etc. This criterion, he said,

is completely inaccurate and has always been the theoretical basis on which national reformism and socialpatriotism based their conclusions and their political line. . . . It is a complete absurdity to try to determine what is the necessary minimum of the material conditions for socialism in each individual country, at the very time when the interdependence of national economies and the international division of production have become extreme and when a single international capitalist economy has been created, with a completely chaotic and uneven functioning, a world market with an international division of labor and productive forces. . . . Attempting to determine how ripe each separate country is for its socialist transformation is reactionary because those very capitalist countries that are the most highly developed are also the ones most involved in the international division of production (e.g., England's dependence on imported grain and raw materials from her colonies). An attempt at socialist rebuilding of such a country based only on its own national "material conditions" would cause an economic regression to a pre-capitalist period of closed economy. However, the internationalist economy is clearly overripe for socialism.

Pouliopoulos found that the decisions of the KKE were based on the theory of "socialism on one sidewalk." Even so, the proletariat of an underdeveloped country "should not delude itself with pseudo-internationalist utopian visions of a simultaneous revolution in all countries; on the contrary, as Marx, Lenin, and Trotsky have pointed out, such a thorough socialist transformation can only be achieved in an international context, that is, only in the context of a victory of the dictatorship of the proletariat in the developed countries also." The task which is assigned to the world proletariat and therefore to the Greek proletariat is not a national bourgeois-democratic revolution but rather a proletarian socialist revolution which, "due to historical conditions may start even in an underdeveloped country. Only later, in the course of international proletarian

revolution and its incorporation into it, will a working class be able to solve in an internationalist way those economic problems that derive from the relative underdevelopment of its national economy.”

The Reality of Greek Feudal Remnants in 1930

Pouliopoulos used the economic criteria of the Sixth Plenary to demonstrate that the Greek economy even at that time was anything but “semi-feudal.” The KKE had confused the profits of the monopolies with the old feudal tax. It was viewing the manipulations of the banks and the big agricultural-mercantile trusts as if they were the same as the exactions of the old landlords. This confusion stemmed from the size and manner of interest collections on loans from the farmers, which were similar to the procedures used in collecting feudal taxes. Thus, the Sixth Plenary wrote: “The peasant’s feudal tax is collected now, not by the landlords, but by the monopolies, the Autonomous Raising Organization (ASO), the bill collectors. . . . The feudal tax has been disguised under a contemporary monetary form.” According to Pouliopoulos, the text contradicts itself in many places, admitting that 70 percent of the land has been given to the peasants to own and that “medieval sharecropping has been annihilated significantly [sic!].”

This confusion was increased by the peculiar character of the two major bourgeois parties of the period, the Liberal Party of Eleftherios Venizelos and the Popular Party. These parties had dominated the political life of the country since the First World War. The difference between them, practically speaking, was that the Popular Party included within its ranks the most antiquated elements, including leftovers from the alliance with feudal forces. On the other hand, since the officers’ revolt of 1909 and the rise of Venizelos, the economy was definitely and clearly dominated by capitalism. This can be seen in the growth of industry, the development of state-owned and monopolistic trusts, and the importance of foreign credit. By the time of the First World War the crown was no longer a feudal force attempting to return to power in its own right but a center around which the conservative tendencies of the big bourgeoisie rallied. The crown was now an element in the power struggles

of rival capitalist groups. Venizelos himself declared in 1928 that differences of principle never alienated him from the crown. The parties fought with one another, but during alternating periods of power they had the mutual policy of taking anti-democratic measures and persecuting communists. Pouliopoulos wrote: "The Greek bourgeoisie, in contrast to being forceful and extreme, ruthless and cynical in its struggles for the economic subjugation of the country to its class rule, is equally hesitant and conservative, sneaky, deceptive, and accepting of half-way solutions in the political sphere."

In other words, the battle of the bourgeoisie with the landlords, the crown, and the clergy was waged timidly, with compromises. Greek capitalism lagged in coming to the foreground historically and, while striking at the old, was extremely wary of new forces. During this period a rising stream of radical demands and socialist ideology faced capitalists in all nations, developed or not. The Greek bourgeoisie was afraid that bold reforms in government, agriculture, social welfare, and education would irreversibly open the door to its own rapid obsolescence. The result was a compromising attitude toward the superstructure, many elements of which remain antiquated to this day. A recent manifestation of this occurred in the crisis of 1963-1967 when King Constantine ignored the bourgeois constitution in order to scuttle George Papandreou in the manner of a sovereign monarch.

Such deadly battles among governing groups express the *political* impasse in countries where capitalism comes late and is forced to speed up its pace of development without having had an opportunity to fulfill its duty to democracy as other national bourgeois classes have done in the past. During this same period and even today, the bourgeoisie of even the most developed countries have occasionally to invent new forms of reactionary government when confronted with repeated crises and with the shifting course of the class struggle.

At the time when the KKE was talking about feudal remnants, Greece not only had a rapidly expanding capitalist economy but more extensive agrarian reforms than any other country of Europe. More than half of all fertile lands were expropriated. Greece had a higher urban population (46 percent) and

a lower rural population (54 percent) than Italy, Hungary, Poland, and all other nations in the Balkan area. Its urban product was 65 percent of the total national product as compared to Russia's 46 percent in 1913. The Greek working class was proportionately at least three times as large as the Russian proletariat on the eve of the Revolution, although it differed from the *concentration* of the Russian working class by being scattered among many small concerns.

Pouliopoulos admits that his information is limited, that the official statistics are inadequate, and that there was no preceding work to build on. The achievement of his effort is to combine logic, theory, and politics in one work. In criticizing the Sixth Plenary he wrote:

It is heavily influenced by the idea of a utopian search for a chemically pure, unadulterated capitalism, of a sort which does not really exist in any country, but only in a scientific model drawn from a Marxist analysis. It is incapable of grasping the substance of the dialectical laws of historical movement in society. Side by side with even the most developed forms of a newly triumphant social system, there survive and coexist—in the most various and original complexes of forces—remnants of older socio-economic formations that historically are outmoded as ruling systems.

Pouliopoulos never disputed the good intentions of the KKE leadership. He saw their errors as flowing from theoretical inadequacy and submission to the Soviet bureaucracy. "The reactionary role that this decision is inevitably bound to play is the consequence of its internal logic. And that is a thousand times more dangerous than the most malicious individual intentions."

From 1934 to the Present

This conclusion proved to be extremely well based. The consequences of the logic inherent in that decision have culminated in the impasse of the seventies. Starting with the Metaxas dictatorship of 1936, the KKE has constantly sought a collaboration of classes "against fascism." Following the brief period of the Hitler-Stalin Pact, the KKE even aligned itself with the fascist Greek government "against fascism" in the Italian and German forms.

The great popular upheaval in occupied Greece elevated the outlawed and worn-out KKE of the prewar years to the position of the country's dominant force. The KKE was the leading element in the National Liberation Front (EAM) forces which organized two million Greeks (25 percent of the population) into its various organizations. The KKE was capable of holding power with broad popular support after the departure of the Germans, but it was haunted by the "bourgeois-democratic revolution." In a series of agreements signed in Caserta, Lebanon, and Varkiza from the end of 1944 to the beginning of 1945, the KKE bargained away its military advantages in order to participate in a government of "national unity." Ultimately, the KKE was forced to surrender all arms and disband ELAS, the people's army. In early 1944, the KKE forces were the only viable military force on the Greek mainland aside from the Germans. By mid-1945, its cadres were being killed, imprisoned, and driven into the mountains as a prelude to what would become a bitter civil war. The collaboration of the classes became a subjugation of the working class, once the royalist army and British troops were allowed to land unopposed. The strategic demands and the tactical slogans and propositions of the KKE became ever more submissive and were all but devoid of class meaning. The KKE was struggling for a "national democratic change," for a "patriotic front" with the "national bourgeois class," for a "government of national collaboration." It demanded "democratization of the state" and that "the army should belong to the nation." It spoke of "the peaceful way to socialism." Rather than centering on the working class, agitational literature spoke of "the people" and "the nation" in what amounted to social democratic national chauvinism.

Following its defeat in the civil war, the KKE nearly ceased to exist in Greece, particularly in the decade of the fifties. Its loyal supporters had become refugees in Eastern Europe or prisoners at home. This led to an open collaboration with old social democratic elements in the legal party of the United Democratic Left (EDA). The coup of 1967 and the ascension of the Colonels to power led to a broadening of this alliance to take in the most reactionary elements of the monarchy and

former military opponents. The historical irony is that the Colonels' regime is the predictable form that the specific local and international conditions would produce to launch the state capitalist program of bourgeois development that had been advocated for years even by the KKE. Its pre-coup program was specific:

Greece must get rid of its imperialist dependence before passing on to socialism, but she must first realize her anti-imperialist-democratic revolution. This is the meaning of the National Democratic Change. It is an overwhelming need of the country and is becoming a popular demand. . . . In spite of their postwar decline, there are still some quasi-feudal leftovers in the countryside. . . . The dominant conflict today is that between imperialism and its collaborator, the indigenous rich oligarchy, on the one side, and on the other side all the other social classes and groups—the working class, the peasants, the urban middle class, the national bourgeoisie. . . . The National Democratic Change is not the task of one class or party, but the task of all classes and groups and all parties that favor such a change. . . . The KKE believes that in today's conditions the parliament can be utilized for the defense of working peoples' rights as well as for the achievement of democratic reforms. The KKE is ready to support a democratic government that would undertake the implementation of a minimum program of democratic measures in favor of the people or even participate on certain terms in such a government. . . . The common struggle of the working class with the peasants and the urban middle class, the national intelligentsia, and the national bourgeoisie for the democratic renaissance of the country creates the possibility for the working class to advance to the socialist revolution. . . . The KKE seeks collaboration and coordination with the other democratic parties, not only for the purpose of ridding the country of the present state of vassalage and for the completion of a democratic renewal, but also, in the future, for the socialist transformation of Greece.

Thus the KKE sees a peaceful transition not only to the "national democratic change" but also to socialism. Of course, the transition to socialism is such a remote affair for the authors of the program that the problem of how it will be possible for the bourgeoisie to tolerate the "dictatorship of the proletariat" without countering it with violence is never discussed. The program also does not discuss what kind of power relationship will be created by the "collaboration and co-ordination with the

other democratic parties.” What the formulation does make clear is that the KKE will do everything possible for its peaceful realization. Should the big-money concerns counter with violence, “the blame for a non-peaceful evolution will be borne by the money-holding reactionaries.” How seriously the KKE was prepared for that violence was revealed in the ease and thoroughness of the takeover in *one* night by a clique of officers and by the absence in more than five years of any program, coalition, or daily practice that would create the organizational and ideological base for armed struggle. In every trial, the leaders of the KKE have declared to their junta judges their faithfulness to the social system of the country, of the constitution of 1952, and their desire “to chase the junta away, not with violence.” (*Filinis*, November 1967)

Such positions make it clear that the inherent logic of the decision of 1934 still prevails. During the Resistance and Civil War, the masses believed that “people’s democracy” itself meant socialism, but the leadership never ceased to clarify in articles and books that these were two totally different things.* This line was evidently followed in order to assure the bourgeoisie that it would not lose by accepting the participation or even the domination of the KKE in the government, but it also represented the true view of the party. Nikos Zachariades, the then Secretary-General of the party, addressed the Twelfth Plenary sessions of the Sixth Party Congress in July 1945 in the following words:

We are ready to negotiate with England on a principle of equality, with the complete understanding on our part of her concerns in the Eastern Mediterranean. . . . [People’s democracy] is a new form of democracy born of the unity in struggle of all the popular national elements. . . . This democracy does not eliminate private property and initiative. To the contrary, it supports all patriotic merchants and industrialists who know how to combine their own concerns with the public interest and benefit which

* See writings after 1943 by the National Liberation Front (EAM), the government in the mountains (PEEA), and the editorials of *Rizospastis* (official publication of the KKE), the introduction of N. Zachariades to the Twelfth Plenary of the Sixth Party Congress (July 1945), and articles such as “First Democratic and later Socialist Transformation,” by G. Zevgos in *Communist Review* (August 1945).

remain primary and dominant. In a people's democracy, the class struggle is disciplined and guided toward the public interest and general progress. . . . The KKE does not often hesitate to become unpopular when it advises frustrated workers not to strike and to be patient, serving the national interest. . . . This way the KKE proves by its own actions that it is the party of order and peace.

The statements of Zachariades and the literature of the party are full of contradictions because of the existence of a genuine popular revolutionary movement at the time they were written; but they show that in spite of a desire for state power, the KKE did not mean that this power was to be exercised *by* or even *for* the proletariat. In spite of the violence of the struggle in the last 40 years, the KKE has never ideologically challenged the capitalist system in Greece or its potential for solving the basic problems of the working class for many years. "People's Democracy" and "National Democratic Change" had no relation whatsoever to the "People's Republics" that were being transplanted into the Balkan and Eastern European countries during the period 1945-1948. One can question whether the "People's Republics" from their very inception were not *another kind* of state capitalism, but in Greece we are dealing with proposals for something even more elementary: a utopian, contradictory proposal to go forward with state interventionism, and to go backward with the support of small capital and small landowner interests. The giant monopolies are opposed primarily because they frustrate small capital, as if it could be otherwise. This mechanistic conception of social development has led to a political impasse. Since the proletariat could supposedly hold power only when it became tremendously large and strong, it must continuously help the bourgeoisie to grow in order to foster its own growth. The KKE held to this position even after it had been proven *in practice* that even in decidedly economically underdeveloped countries the proletariat could go forward in its conquest of power and successfully undertake social accumulation under its own guidelines.

No matter what the size and concentration of the Greek proletariat, the KKE would not have faith in its power. The party theorists did not understand that although under feudalism the bourgeoisie grew slowly inside the system, the pro-

letariat is not going to become a strong class in terms of holding political power except through and after a proletarian revolution. The bourgeoisie had a totally different historical task. It was to grow as a class through revolution and not to eliminate itself as a class as the proletariat aims to do.

To a certain extent, the KKE leadership saw that the bourgeoisie was organically handicapped in attempting to make rapid economic strides while at the same time satisfying, as far as a capitalist system can, the everyday needs of workers. But such a handicap was not considered incurable. The KKE expected a segment of the bourgeois technocrats to press for bold developments in the area of state interventionism. Thus, while rejecting the idea of a "leap" to socialism, they accepted the idea of a "leap" to state capitalism which in effect contradicted the concept of "natural development" which they held. What this amounted to was calling on the bourgeoisie to take a *political* leap to displace its own center of power and to some degree undergo an internal struggle. This would not be an easy or natural development. The always-anemic Greek economy was just coming out of the war in a state of disaster. It had to undergo radical change, but only within the boundaries of capitalism. For the KKE, that meant a *social* change to which one did not add the burden of socialist change. The KKE was ready to impose the "social change" within the economic system by means of violence; and to this unresolvable contradiction the KKE sacrificed hundreds of thousands of people, while putting itself in the path of the only possible revolution, the socialist transformation of Greece. In the event the bourgeoisie refused to "ally" with the communists for the achievement of this "people's democracy," the party was ready to undertake by itself the government of the "new" state.

By substituting itself for the bourgeoisie in carrying out the task of a state-capitalist transformation, which is a stage of capitalist development only if this development is not interrupted by a proletarian revolution, the party revealed its identity as another segment of the bourgeoisie. This is a case where the *political* and *economic* elements are inseparable. The political *determines* the economic: everything depends on how the *direction* (political intent) of the economy is practiced. If the

methods of directing it are bureaucratic, this is sufficient reason for some observers to label even a "socialist" economy state-capitalist in substance and for others (see Sweezy, Bettelheim, *On the Transition to Socialism*, Monthly Review Press, 1972) to diagnose it as an economy slipping backwards to capitalism.

The Greek communists, coming from a bureaucratic school, could only conceptualize the dictatorship of the proletariat as a bureaucratic administration and the difference between capitalism and socialism as the passage of control over the state from bourgeois to socialist bureaucrats and technocrats. In actuality negative experiences have shown that socialism requires an immensely different structure. The longer are retained the old elements that grow onto a state capitalist system, the more uncontrollable the state becomes and the weaker people's potential for resistance and revolution. Even the right-wing Colonels will try to realize part of the state capitalist program of the KKE and the social democrat Andreas Papandreou. In spite of its contradictions and internal antagonisms, capitalism is left with no other solution but to move in a progressive direction from at least a technical point of view. This means the continuous strengthening of the mechanisms for its own centralization, programming, and interventionism—mechanisms which may be useful to socialism as well.

Some General Questions

If history starting with the Russian Revolution has demolished the theory of two separate and distinct stages in the transformation of an underdeveloped country to a socialist one, then the "impatience" of the proletariats of the underdeveloped countries and their decision to take power and complete the tasks of capitalism itself through a bold and necessary cutting and fusing of the stages of history create in their turn new questions. We have the fact that "socialism in one country" conspicuously proved to be a utopia with tragic *practical* consequences for the workers and national liberation movements in other countries, especially in the Third World. For this reason those who hold to the position of a continuous international revolution must carefully study the historically-confirmed weak international mobility of the revolution. Such weak in-

ternational mobility cannot be explained simply by the lack of a capable international leadership, but even so the lack of such a leadership in every country is a reality and every revolutionary must take this into consideration in efforts to advance the revolutionary cause in his or her own country.

When considering what course a small country such as Greece should follow, several questions suggest themselves. What are the goals to pursue in such a country to enable it to bear the pain while awaiting the victory of the revolution in the developed nations? If before the revolution the slogan "self-sufficient heavy industry" is utopian, what political and economic risks does the same slogan entail after the revolution, since it ignores the international division of labor? What are the natural endurance and the political limitations of a relatively weak proletariat in its efforts to exercise its dictatorship and fulfill its internationalist duties? Generally, what are the limits of a small people or of a non-industrialized country? How long can it hold out in economic isolation?

The examples of Cuba and China are recent and have been exhaustively discussed. We can say that compromises, large and small, are inevitable for a country where the proletariat takes power. They are the price that must be paid for the fact that the revolution is still less advanced in other countries. Some political compromises come to appear inevitable. It remains to sort out which are dictated by unbending necessity and which are not. We can also ask if such compromises made by a socialist state, fully conscious of the retreat and the reasons for it, are different from the same compromises declared to be solid, revolutionary advances in no contradiction to world revolution. Why do we even speak of a "transition to socialism" if socialism is itself a transitional state from one politico-economic system to another? Might this not be a conscious or unconscious recognition that the socialist systems in the world today (nations where communist parties have taken power) may not be socialist at all? It is possible to overestimate the importance of theoretical terms, but they have nevertheless played an important role in the scientific socialist movement. Often the most creative thinkers have used them with different meanings, and there has been a constant struggle

for precision. Danger exists which either originates in or is inherent in the use of certain terms independently of the intentions of those who first introduced them. Such pitfalls have been gladly and deliberately exploited by others who subsequently used the terms. Consistent development of a theory requires the bold rejection by their descendants of the weak points in the founders' work. Bold rejection, in its own turn, means necessarily *conscious* rejection.

Are such questions of remote importance to the Greek movement? I think not. Not only are they questions faced by many comrades in the world movement, but in Greece a proletarian victory is possible. The opposite of what happened elsewhere has happened to us. In other countries, particularly the developed ones, life itself forced the revolutionaries to postpone their plans which had been based on an over-optimistic theory. In Greece, life itself moves farther and farther ahead of the miserable and therefore utopian theory of the Greek social democrats, and forces us to counter theirs with a revolutionary theory, a realistic theory.

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CORRESPONDENCE

A RESPONSE FROM PRISON TO "BLACK WOMEN IN REVOLT"

I just got the new copy of MONTHLY REVIEW and read the article "Black Women in Revolt," which I enjoyed very much—mostly because there was so much in it that I could relate to even though I'm white. I grew up in a postwar project, and my parents suffered from, and still are suffering from, the same elusive dreams and fantasies described in the article. They are both immigrants from Europe and believed in the Amerikan dream, as so many other people have in the past. So many people entered the housing project planning to stay for only a year or two, save some bread, and buy a home in the suburbs, but most, if not all of them, are still stuck there or have moved to an even shabbier dwelling, as is the case with my family. Both my sisters have suffered nearly the same fate—both got married out of total need for economic dependence and were oppressed by their husbands, and are both separated from their husbands now, one being in prison and the other never coming home one day. Both my sisters have two kids each, and both are on welfare, and the cycle goes on and on and on. However my sisters are rising out of their oppression, just as so many of the sisters and brothers are today, and as we, all of us, learn how to break through a lot of the barriers the system has forced us to erect for ourselves, and learn how to work out the contradictions that arise between us, and really learn how to trust and love each other, our power and capabilities will be unlimited.

I finished reading the books you sent a few months ago, so if you could help me out with a few more this month, I, and all the rest of the brothers here, would really appreciate it. . . .

Thanks, brothers and sisters, for all the help you've given in the past and keep up the fine work.

In Struggle,

A COMMUNICATION FROM GUNDER FRANK

One of the unfortunate aspects of politics on the Left is the tendency to interpret independent and critical analysis of radical parties and governments as counter-revolutionary acts. In view of the way such an attack on Andre Gunder Frank, a frequent and respected MR contributor, has been blown up in Chile, we consider it desirable to give Frank space in MR to state his case. In addition, one of us, Harry Magdoff, was present at all the sessions of the New Delhi imperialism seminar referred to below, and confirms the correctness of Frank's version of events there.—The Editors

Monthly Review
116 West 14 Street
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Dear Editors,

The participation of José Rodríguez Elizondo of the Communist Party of Chile and myself in the International Seminar on Imperialism, Independence, and Social Transformation in the Contemporary World, held in New Delhi in March 1972 with the attendance among many others of Harry Magdoff, has given rise to an ideological (non)debate in Chile. Rodríguez Elizondo published in *El Siglo*, the official newspaper of his party, an article taking exception to my participation in the New Delhi seminar. The essential parts thereof are quoted or summarized in my answering letter to *El Siglo*, which, after the latter declined to publish it, appeared in the Chilean bi-weekly *Punto Final*. Thereupon, Rodríguez Elizondo rebutted with another insertion in *El Siglo* and subsequently extended his critique in a two-page article in *Plan* and a twenty-page article in his party's theoretical journal, *Principios*. *El Siglo* also refrained from publishing an open letter addressed to it and other Santiago newspapers, signed by 36 people who took exception to the terms of Rodríguez Elizondo's insertions in *El Siglo*. By virtue of the origins and implications of the issues involved, which reach beyond the confines of Chile, may I ask you—and simultaneously the *Economic and Political Weekly* of India—to open the pages of your correspondence section for the reproduction of the following item of this debate.

Sincerely yours,
Andre Gunder Frank
Santiago, Chile

El Siglo
Santiago, Chile
Dear Editor,

Beyond disagreeing with the version presented by comrade José Rodríguez Elizondo about the seminar on Imperialism, Independence, and Social Transformation, held in New Delhi, which you published during my absence from Chile in your edition of April 18, 1972, I am sorry to say that I find myself obliged to deny categorically the affirmations made therein, concerning my alleged role in the above-mentioned seminar. Rather than invoking the protection of the bourgeois press law, which is still in effect in Chile, I urge you to publish my letter of refutation out of respect for the revolutionary truth that must guide us, and out of consideration for the revolutionary comradeship to which we aspire.

Comrade Rodríguez's claim that I made a diversionist motion allegedly for the purpose of excluding Chile from a resolution expressing solidarity with Vietnam and other countries is totally false. On the contrary—as the records of the final session of the seminar show—my motion expressly *included* Chile, together with the Palestinian and black North American liberation movements, all of which I proposed to add to the Vietnamese and others. In fact, one of the participants had proposed the addition of Chile to the original motion of solidarity with the peoples of Indochina, but the author of the original motion refused to accept this amendment, claiming it to be irrelevant. My motion, on the other hand, included Chile and, far from being diversionary as comrade Rodríguez alleges, it was passed by the assembly as a whole, including, I assume, Rodríguez himself. Thus, it is strange to find on my return to Chile that I supposedly tried to avoid or minimize expressions of international solidarity with the Chilean people at the time of the revelations concerning the ITT conspiracy.

It is totally false that "Gunder Frank attacked" the Communist party of Chile and that I termed the victory of the Unidad Popular coalition "ridiculous." In my statement—which was mimeographed and is available to any interested persons—I maintain that the drop in wages together with political mobilization generated progressive electoral movements in Chile, Uruguay, Venezuela, and Argentina, which systematically tried to give nationalism a class, and even an anti-bourgeois, character, and that in the case of Chile the Unidad Popular government had already suffered four attempted coups—and, at the time I drew up my

statement, a fifth was being prepared. My statement maintains, furthermore, that the fascist menace grows to the extent that the Left puts its trust in constitutional guarantees and fails to prepare the masses to defend themselves. I did not violate the sense of the seminar in referring to the French and Italian Communist parties. Representatives of these and various other Communist parties had already intervened, in order to challenge the statement of an Indian who said, among other things, that the Communist parties were not always to be found in the political vanguard. Because of circumstances which made it impossible for the author of this statement to attend the seminar, and because half a dozen speakers rose to criticize him on this point alone, I considered it correct to express my solidarity (and that is the word I used), when I spoke during his absence. My intention was not, either in the aforementioned report or in my commentary, to attack the Communist party of Chile.

Inasmuch as the secretary of the seminar asked each speaker to present a written summary of his remarks on the reports, it may be opportune to reproduce my remarks here:

The principal question is the winning of state political power by the working class and the peasants. This has to be done by stages, but the alliances and changes and economic benefits of a period must be used in such a way as to broaden political support and strengthen political organizations among the masses, thus facilitating the advance to the next stage. Lacking this essential political mass line, the "noncapitalist" way leads to the possibility of neocolonialist and neofascist reverses. In Chile the short-term economic program of redistribution of income, employment, and popular consumption has been very successful in itself, but it is approaching its inherent limits. The statements and documents of the parties and leaders of the Unidad Popular coalition all express concern over the fact that the first fifteen months of the regime were not used profitably by the people's parties, which were organizing mass support to facilitate the transition from the economic short-term program to the structural transformation of the Chilean economy, society, and politics as envisioned in the program of the Unidad Popular.

The reader can see that this statement, which is the only summary of my intervention as delivered to the secretary of the seminar for eventual publication as part of the proceedings, has a tone and content very different from that attributed to it and employed by comrade Rodríguez.

Challenging comrade Rodríguez in a closed session, in which

he attempted to borrow Fidel's authority in qualifying the Chilean process as revolutionary, I said that to the extent that it lacked sufficient people's mobilization—as Fidel himself had observed in his speech at the National Stadium—it was not revolutionary.

The version of my intervention as presented by comrade Rodríguez contains other distortions. For example, as far as Ceylon is concerned, I suggested—in the context of a discussion of the international political situation—that the possibility exists (as can be deduced from the summary above) that the political process in Ceylon is *arriving* at neofascism. A formulation very different from that which comrade Rodríguez attributes to me, i.e., that Ceylon is fascist. (I might add that two weeks later the General Secretary of the Communist party of Ceylon explained to me, as we dined in his home, why he had just voted in Parliament against the new repressive law passed by a majority which included the party of Prime Minister Bandanaraiké and the Trotskyist party, and why the imminent resignation of the Communist party from the government coalition seemed to him to be a good thing, inasmuch as the party could then give leadership to the growing opposition to the government.)

Finally, and even more serious, comrade Rodríguez's claim that I "spoke in the name of a [Chilean] political group" is absolutely untrue. I never made such a claim nor even hinted at it anywhere, because it is not the case. Very much to the contrary, when in India I stressed the fact that I spoke for myself alone. It is clear that anyone who claims that he or someone else speaks in the name of a political group or "represents" such a group would be lacking in respect for his listeners or readers were he not to *identify* the group in question—something which comrade Rodríguez does not dare to do.

I invite comrade Rodríguez's collaboration in the future in our common task, in a spirit of greater fraternalism and revolutionary truth.

Cordially,
Andre Gunder Frank

(Continued from inside front cover)

response is likely to be rapid and relevant. In other cases, just the opposite. We do not ask you not to write, but we do ask for your patience and indulgence.

Readers often tell us that MR would be more useful and would reach a bigger audience if the writing were more intelligible, simpler, etc. We agree and we try to impress precisely this point on our authors. But at the same time it must be recognized that MR does not aspire to reach a mass audience directly. It is directed not to specialists or intellectuals as such but to people who are politically highly motivated and need to know and understand as much as possible in order to be more politically effective. The relationship, as we conceive it, is very well defined in a letter received a few days ago from a group of community activists: "Marxism has helped us to understand 'what's happening,' and you at MR have forced us to learn about economics and its complex relationship to what we are experiencing. We really have to stretch for it, because we learned to turn off reading. Then, as we draw back from the stretching, we have to reword the concepts learned from MR so that we can rap them out with the 'bloods' who will not read. We are a bridge, translator, and teacher. This sharpens our intellects and yet allows us to understand that we are responsible at this time for breaking down complex economic concepts. We don't expect MR to do this for us."

Harry Cleaver writes to ask that a correction be noted in his piece "The Contradictions of the Green Revolution" which appeared in the June 1972 issue of MR. On p. 107 the citation of "Thiesenhusen (1971)" belongs in footnote 56 rather than in footnote 55 where it now appears.

Many readers, and not only prisoners, will be interested to know of the following two publications. (1) *Midnight Special*, a monthly publication for prisoners. MS publishes news from prisons, articles, poems, and drawings by prisoners, legal information (like how to write writs). While it is mostly for New York State area prisoners, other prisoners who would like to get it should write to *Midnight Special*, c/o The National Lawyers Guild (New York Chapter), 23 Cornelia Street, New York, N.Y. 10014. (2) PROP (which stands for Preservation of the Rights of Prisoners), a new monthly published in England under the editorship of Dick Pooley who has served a total of 20 years in various British prisons and who writes in an editorial in the first issue: "PROP magazine exists to enable open discussion to take place, of the issues facing our society regarding crime, legal institutions, the penal system, and the thousands of people who participate, willingly or not, in them." It is primarily for inmates and ex-prisoners "who have something to say, but may have difficulty in finding a place where they may be allowed to say it." But it is also open to all others. Those interested in subscribing (sub price £1-75 pence = approximately \$4.20) or receiving further information should write to PROP magazine, 96 Victoria Avenue, Hull, England.

We have been asked to include the following in these Notes: "A Westchester County, N.Y., writer is interested in seeking others nearby who are interested in forming a workshop for serious study of MR publications, concentrating on American economic exploitation, especially in relation to poor countries (foreign investment, trade and aid policies, etc.). Other areas are also possible, such as the dynamics of U.S. capitalism and an historical understanding of socialism, depending on the interests of participants. Please contact Frances Lappé, 20 Overlook Road, Hastings-on-Hudson, N.Y. 10706." We would be interested in knowing the results of this initiative.

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